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For rare book collectors, passion matters more than profit
By Rob Burgess
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Barbara Basbanes Richter comes by her love of collecting books honestly.

Her father, author Nicholas A. Basbanes, is a National Book Critics Circle Award finalist for "A Gentle Madness," a nonfiction work fittingly about passionate book collectors.

"Growing up in our house meant books everywhere," she said. "C-SPAN literally did a tour of our home library once."

As a result, Richter is a "lifelong bibliophile." She is also an author, ghostwriter and decades-long contributor to Fine Books & Collections Magazine.

Barbara Basbanes Richter pictured with the book collection of her father, author Nicholas A. Basbanes. The collection is now housed at Texas A&M University.

Courtesy photo by Nicholas A. Basbanes

"Bibliomania, the cheeky diagnosis for those consumed by a passion for books, may lead the afflicted to acquire books, no matter the cost," she said.

Drawing on her own experience with this "ailment," Richter said most serious book collectors are driven by passion.

"Book hunters focused purely on the potential pecuniary value are going to be greatly disappointed," she said. "Fashions change, and values fluctuate, just as they do in any market."

However, some rare and first-edition books do have the potential to increase in value, depending on factors including rarity, provenance, desirability and condition.

"For those who acquire with an eye towards building a collection, a few general principles may be applied," she said. "Stay within your budget, research your field, know your competition and cultivate relationships with the booksellers who specialize in your field."

And while it is possible to see healthy returns on an investment in a hard-to-come-by book, financial advisors and other experts say advisors should be clear with clients that collecting should be driven first by a love of books.

How the internet has changed the game

The value of many rare books has fluctuated greatly as technology has advanced.

Peter Tanous, president of Lynx Investment Advisory in Washington, D.C., said he has been collecting first editions for over 30 years, mainly Ernest Hemingway titles, including some inscribed volumes.

Since the internet emerged, book collecting has democratized to such an extent that it is now much less profitable than it once was, Tanous said.

Early in his collecting, he bought an inscribed first edition of Hemingway's debut book, "Three Stories and Ten Poems," published in 1923. He paid $70,000 for it and sold it a few years later for $100,000.

"All this before the internet was in full swing," he said. "Today, that same book would be lucky to sell for $50,000."

The bottom line for collectors who want to focus on modern first editions, Tanous said, is to go with the top authors who will always remain collectible — familiar names like Hemingway, F. Scott Fitzgerald and John Steinbeck.

"And don't expect to make a lot of money doing it," he said.

Are rare and first-edition books a good investment?
As with most collectibles, rare books are generally not a good investment when compared with traditional products like stocks and bonds, said Robert R. Johnson, professor of finance at the Heider College of Business at Creighton University. The market for rare books is much less liquid, for starters.

"Specifically, as with any collectibles, there is a large bid-ask spread," he said. "This means that it is difficult to turn collectibles into cash without losing significant market value."

The market for rare books is often driven by "headline" pieces that attract the lion's share of attention. This is the case with other collectibles, too; for example, people see the purchase price of the 1952 Topps Mickey Mantle rookie card — $12.6 million in 2022 — and conclude that investing in baseball cards can bring them riches, Johnson said. Of course, for the vast majority of collectors, that won't be the case.

"Markets for collectibles often aren't deep, and less desirable collectibles often don't follow the moves of headline pieces," he said.

And when it comes to rare books, first editions need to be graded on condition, said Johnson, and grading can be both expensive and controversial.

"Grading is inherently subjective, and collectors can be disappointed with the verdict," he said. "Also, condition can deteriorate over time, and one may need to get a book regraded when attempting to sell. Stock and bond investors don't need to have their holdings graded before a sale."

Lucas Wennersten, owner and founder of 49th Parallel Wealth Management in Scottsdale, Arizona, said he has a client who collects rare and valuable first editions. The client has a large bookshelf in the main living area of his home where he displays only first-edition books.

A client of advisor Lucas Wennersten has assembled this impressive collection of rare books.
Courtesy photo
Wennersten said he has asked his client what the books are worth, but the client, an avid reader who has read them all, has no idea.

"These books are long-term assets that are more than just investments," he said. "They provide entertainment, sentimental value, a connection to the past and a legacy to pass on to your heirs. In that sense, it is hard to say if it is a good investment or not."

Following storage tips can help hold value
For most people, investing in first editions isn't a wise move, Wennersten said. An exception can be for someone who finds great personal value in reading or displaying them. Potential collectors should also be mindful of the physical requirements to keep books in good shape.

"Some books may appreciate significantly, but there is the added obligation of storing and caring for them, and the added risk of theft, fire, flood, sun damage and deterioration, which would ruin your investment," he said. Perhaps more so than with other collectibles, rare books' storage concerns can greatly affect

values.

Ahmed Harhara is an engineer and founder of flood risk assessment firm Houston Home Tools, a data platform that helps residents understand neighborhood-level environmental and housing risks.

In his work, Harhara said he has seen how environmental conditions — humidity, temperature swings and air quality — can quietly destroy paper and bindings over time.

"A rare book might look pristine, but if it's stored in a typical … attic or basement, it'll degrade faster than people realize," he said.

From an engineering standpoint, Harhara said because books are cellulose-based materials, they absorb moisture and volatile organic compounds, just like wood or drywall. The best way to preserve them isn't just climate control — it's stable micro-environments with low humidity variance, he said.

"If you're investing in first editions, treat them like any high-value asset: Control exposure, document provenance and avoid storing them near HVAC returns or exterior walls," he said.